

DEC 1954

U.S. Officials Only  
CONFIDENTIALCENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT 25X1A**COUNTRY El Salvador/Ecuador  
SUBJECT Two New Construction Projects  
25X1APLACE ACQUIRED  
(BY SOURCE)DATE ACQUIRED  
(BY SOURCE)

DATE (OF INFO.) Prior to 1 Dec 53

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

25X1X

THIS IS UNEVALUATED INFORMATION

SOURCE

ORR NO.	
DAS NO.	
OCI NO.	

DATE DISTR. 28 Dec 53

NO. OF PAGES 1

NO. OF ENCLS.

SUPP. TO  
REPORT NO.

1. The first unit of the hydroelectric plant on the Rio Lempa, which is being built by a US company, is expected to go into operation on 1 Mar 54 and the second one will be ready shortly thereafter. A penstock has been constructed so that at a later date a third unit may be added without too great a cost or much difficulty. Each unit will generate between 35 thousand and 40 thousand kilowatts, which equal the entire power production in El Salvador today. The new plant will serve the capital and perhaps one or two other communities.
2. A US construction company is at present engaged on two construction projects in Ecuador, which country suffers from transportation difficulties. It has recently been awarded the contract for the construction of 180 kilometers of highway between Manta and Quevedo, and some of its engineers and equipment are already on the spot. The second project, which is the construction of a pipeline from the plateau 100 kilometers from Quito to a terminus on the Guayas river east of Guayaquil. This pipeline is 50 per cent completed and will be of extraordinary benefit to the capital, since it will make possible a continuous flow of gasoline and other petroleum products which will be pumped to the plateau from sea level. At present the railroad can haul only short trains due to the steep gradient and in times of floods and washouts Quito is completely cut off from many of the necessities of life. The pipeline will reduce the cost of petroleum products to one tenth of what they are now and will reduce railroad traffic by one third, thus making space for other necessities. Eventually, it is expected to continue the pipeline to Quito since there is a rise of land between the plateau terminus and the capital which impedes transportation. Company relations with the government of Ecuador are excellent.

PRIMARY SOURCE -

11/735.922 25E  
754.5 25  
735.534 25U.S. Officials Only  
CONFIDENTIAL

DISTRIBUTION	STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		ENGR	X	MBPC	X
--------------	-------	---	------	---	------	---	-----	---	-----	--	------	---	------	---

This report is for the use within the USA of the Intelligence components of the Departments or Agencies indicated above. It is not to be transmitted overseas without the concurrence of the originating office through the Assistant Director of the Office of Collection and Dissemination, CIA.